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FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

7/1/24

SEAN F. McAVOY, CLERK

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,

Plaintiff,

v.

RACHAEL ORLIN,

Defendant.

Case No.: 2:24-CR-86-TOR

INFORMATION

Vio: 18 U.S.C. § 1001(a)(2)
False Statements

The United States Attorney charges:

General Allegations

1. The Coronavirus Aid, Relief, and Economic Security Act (“CARES” Act) was a federal law enacted on March 27, 2020, designed to provide emergency financial assistance to the millions of Americans who were suffering the economic effects caused by the COVID-19 pandemic. One source of relief provided by the CARES Act was the authorization of forgivable loans to small businesses for job retention and other certain expenses, through a program referred to as the Paycheck

1 Protection Program (“PPP”).

2 2. In order to obtain a PPP, a qualifying business was required to submit
3 a PPP application signed by an authorized representative of the business. The PPP
4 application required the business (through its authorized representative) to
5 acknowledge the program rules and make certain affirmative certifications in order
6 to be eligible to obtain the PPP funding. In the PPP application, the applicant
7 (through its authorized representative) was required to state, among other things: (a)
8 its average monthly payroll expenses; and (b) its number of employees. If the
9 applicant had no employees other than the owner, the applicant was required to
10 provide the gross income amount from a 2019 or 2020 IRS Form 1040, Schedule C.
11 These figures were used to calculate the amount of money the small business was
12 eligible to receive under the PPP. Additionally, the applicant was required to certify
13 that they were in operation as of February 15, 2020. The applicant was also required
14 to certify that the information in the application was true and correct to the best of
15 the applicant’s knowledge.

16 3. A business’s PPP application was received and processed, in the first
17 instance, by a participating lender. If a PPP application was approved, the
18 participating lender funded the PPP using its own monies. Data from the application,
19 including information about the borrower, the total amount of the loan, the listed
20 number of employees, and the gross income amount, was transmitted by the lender
21 to the Small Business Administration (“SBA”), an agency of the United States, in
22 the course of processing the loan.

23 4. On or about April 9, 2021, Defendant opened a Discover Financial
24 Services (Discover) account ending in -0118. On or about April 23, 2021, PPP
25 Application No. 35466689-10 was filed in Defendant’s name, listing the “legal
26 entity” as “Independent Contractors.” The application was submitted to Benworth
27 Capital, a federally insured financial institution. The application falsely represented
28 that the company had one employee, had existed for more than 2 years, and served

1 in the Outpatient Care Center industry. The application listed Rachael Orlin's true
2 address and social security number. On or about May 17, 2021, Benworth Capital
3 disbursed \$20,833.00 to Defendant's Discover account ending in -0118. The SBA
4 also paid a \$2,500 lender fee in association with the loan. Benworth Capital has
5 subsequently invoked the SBA's guarantee of the loan, resulting in a total loss to the
6 SBA of \$23,691.44 (the principal amount of \$20,833.00, interest of \$358.44, and the
7 lender fees of \$2,500).

8 5. Records from Discover show that three days after the PPP funds were
9 deposited, on or about May 20, 2021, Defendant transferred \$5,000 from the
10 Discover account to her account with Stride Bank (Stride) ending in -5890. Discover
11 records also show that on or about May 20, 2021, \$500 was withdrawn from the
12 account through ATMs in the Spokane area and that \$1,000 was withdrawn from the
13 account via Cash App to an account in Defendant's name. On or about May 22,
14 2021, an additional \$1,500 was transferred to the Cash App account in Defendant's
15 name, and an additional \$500 was withdrawn at ATMs at the Walmart Supercenter
16 in Spokane Valley, where Defendant then worked. Another \$500 was withdrawn
17 via ATMs at the same Walmart Supercenter on May 24, 2024. Between on or about
18 May 28 and May 30, 2024, \$7,500 was transferred from the Discovery account to
19 the Cash App account in Defendant's name. Cash App records show Bitcoin
20 purchases following the transfer of money from the Discovery account. In total, by
21 the end of May 2024, within approximately two weeks of the \$20,833 deposit of
22 PPP funds into the account, Defendant had transferred \$5,000 to her Stride account,
23 withdrawn \$1,500 from ATMs, and transferred \$10,000 to Cash App for the
24 purchase of Bitcoin.

25 6. On or about April 6, 2021, Unemployment Claim No. 11959253 was
26 filed in in Defendant's name with the Indiana Department of Workforce
27 Development. The application falsely represented, *inter alia*, that Defendant worked
28 for CVS Pharmacy, resided in Mooresville, Indiana, and that the Defendant's place

1 of employment had closed due to COVID-19. This application was flagged by the
2 Indiana Department of Workforce Development as a questionable identity and no
3 payments were issued. However, Defendant's Greendot account ending in -5334,
4 received \$6,284.00 in payments from the Indiana Department of Workforce
5 Development in March 2021.

6 7. Between May 2021 and September 2021, Defendant's Discover
7 account was also used to receive \$9,170.00 in false and fraudulent unemployment
8 insurance claims paid by the State of New Jersey in the name of R.M. These funds
9 were spent out of the account by Defendant or were transferred to the Cash App
10 account in Defendant's name to purchase Bitcoin. An additional \$713.00 in false
11 and fraudulent unemployment insurance claims had been paid by the State of New
12 Jersey into Defendant's BBVA account on or about October 19, 2020. This is the
13 same account listed on the EIDL application filed in Defendant RACHAEL
14 ORLIN's name on or about September 1, 2020. This application was declined by
15 the SBA and no funds were disbursed.

16 8. On March 22, 2022, Defendant RACHAEL ORLIN met with two
17 agents from the United States Secret Service to discuss the United States'
18 investigation of fraudulent PPP applications. During the interview, Defendant
19 RACHAEL ORLIN denied applying for the PPP loan, and denied knowledge of
20 receiving distribution of the PPP loan. When confronted with documentation from
21 Discover showing the deposit and movement of the funds, Defendant RACHAEL
22 ORLIN admitted to receiving the money but stated that "I didn't keep a single dime,"
23 and that she never comingled the Discover account with her Stride Bank account.
24 This was a willful and materially false statement to agents and employees of the
25 United States Government, and Defendant RACHAEL ORLIN knew it was false at
26 the time it was made. Defendant RACHAEL ORLIN did in fact keep \$5,000 of the
27 PPP loan amount which she transferred to her Stride Bank account ending in -5890
28 on May 20, 2021. Further, Defendant RACHAEL ORLIN spent additional PPP

1 funds using a debit card associated with the Discover account.

2 COUNT 1

3 9. The allegations set forth above in paragraphs 1 through 8 are realleged
4 and incorporated as if fully set forth herein.

5 10. On or about March 22, 2022, in the Eastern District of Washington, in
6 a matter within the jurisdiction of the United States Secret Service, Defendant
7 RACHAEL ORLIN knowingly and willfully made false, fictitious, and fraudulent
8 statements and representation to agents from the United States Secret Service, to wit,
9 Defendant RACHAEL ORLIN falsely stated that she did not keep any PPP loan
10 funds deposited into her Discovery bank account, when in fact Defendant
11 RACHAEL ORLIN did keep and use PPP loan funds deposited into her account, all
12 in violation of 18 U.S.C. § 1001(a)(2).

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14 Dated this 1st day of July, 2024.

15
16 Vanessa R. Waldref
United States Attorney

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20 Devin Curda
21 Jeremy Kelley
Assistant United States Attorneys
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